



**REGULATIONS OF THE
AUDIT, COMPLIANCE, ETHICS AND RISK
BOARD COMMITTEE OF
COMPAÑÍA ESPAÑOLA DE PETRÓLEOS, S.A. (“CEPSA”)**

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REGULATIONS OF THE AUDIT, COMPLIANCE, ETHICS AND RISK BOARD COMMITTEE

In accordance with the corporate governance system of Compañía Española de Petróleos, S.A. (**CEPSA**) (the **Company**), the Board of Directors has set up and organized the Audit, Compliance, Ethics and Risk Board Committee (the **ACER Board Committee**), as a standing advisory and non-executive body, with powers to inform, advise and recommend within its scope of authority .

These regulations (the **Regulations**) are intended to define and delineate the role, duties, responsibilities and internal working procedures of the ACER Board Committee of the Company and its group.

The ACER Board Committee shall resolve any doubts that might arise regarding the interpretation of these Regulations.

1. ROLE AND PURPOSE OF THE ACER BOARD COMMITTEE

The main purpose of the ACER Board Committee is to provide advice and specialised assistance to the Board of Directors in all matters regarding risk management, internal control, compliance and internal audit systems; the monitoring of the preparation and reporting processes for the Company's financial information and related non-financial information, and its relationship with the auditors.

2. COMPOSITION AND STRUCTURE OF THE ACER BOARD COMMITTEE

2.1 Composition of the ACER Board Committee

The ACER Board Committee shall comprise a minimum of three (3) and a maximum of five (5) Non-Executive Directors, at least one of whom shall be an Independent Director to hold the office of Chairperson. All of the members of the ACER Board Committee shall be appointed by the Board of Directors, at the proposal of the Nomination and Compensation Board Committee.

The ACER Board Committee shall collectively have relevant accounting, auditing, internal control, risk management and business expertise. Each ACER Board Committee member must be Financially Literate, or must become Financially Literate within a reasonable period of time after his or her appointment to the ACER Board Committee. In addition, at least one ACER Board Committee member shall satisfy the definition of Financial Expert. For these purposes:

Financially Literate means able to read and understand financial statements; and

Financial Expert means someone who has:

- (a) an understanding of generally accepted accounting principles and financial statements;
- (b) the ability to assess the general application of such principles in connection with the accounting for estimates, accruals and reserves;
- (c) experience preparing, auditing, analysing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, or experience actively supervising one or more persons engaged in such activities;
- (d) an understanding of internal control over financial reporting; and
- (e) an understanding of finance and audit committee functions.

The Board of Directors will have the authority to appoint and remove ACER Board Committee members, at the proposal of the Nomination and Compensation Board Committee. The ACER Board Committee may present the Board of Directors with proposals to change the number of its members, in order to ensure that it is the most suitable for its effective operation.

The ACER Board Committee members will be elected for a four-year period, and may be re-elected for equal periods on one or several occasions if the Board of Directors deems it appropriate. The Directors that are part of the ACER Board Committee will hold their position for as long as their appointment as Company Directors remains in force. The ACER Board Committee members that are re-elected as Company Directors will continue to hold their positions in the ACER Board Committee unless the Board of Directors determines otherwise.

2.2 Chairperson

The Board of Directors will appoint an ACER Board Committee Chairperson from among the independent Directors, taking into consideration his or her abilities, qualifications, skills and expertise in accounting, audit and/or risk management, as well as willingness to devote the necessary time and commitment to perform the tasks and duties required of the office.

The ACER Board Committee Chairperson shall be elected for a maximum period of four (4) years and may be re-elected after one year has lapsed from the end of his or her last term. The Chairperson will be in charge of calling, chairing, and leading ACER Board Committee meetings, encouraging discussion and active participation of the ACER Board Committee members, and ensuring that members freely take part in deliberations without internal or third-party pressures, and he or she will act as the ACER Board Committee representative before the Company's Board of Directors. Furthermore, the Board Committee Chairperson will ensure that ACER Board Committee members receive sufficient information ahead of Committee meetings to enable them to give full and proper consideration to the items on the agenda.

To properly fulfil the duties inherent to the position, the ACER Board Committee Chairperson will encourage the establishment of an effective and regular communication channel with the usual intermediaries, mainly, with the management of the Company, and in particular, with the General and Financial Management, with the head of the internal audit activity (Chief Audit Executive or CAE) and with the External Auditor. For these purposes, **External Auditor** means an independent third party who carries out a periodic examination of the accounting books and records of the Company.

If the ACER Board Committee Chairperson is absent, another ACER Board Committee member designated from within will chair the meeting.

2.3 Secretary

The offices of Secretary and Deputy Secretary of the ACER Board Committee shall be held by the same persons who hold such offices on the Board of Directors.

The main duties of the Secretary will be to: (i) assist the Chairperson in his or her duties; (ii) draft the minutes of meetings, and circulate them together with the rest of the documents; and (iii) keep custody of the ACER Board Committee documents, recording any decisions or resolutions adopted and ensuring the formal and material legality of all actions taken by ACER Board Committee.

2.4 Resignation or Removal

Without prejudice to the applicable legal provisions, ACER Board Committee members shall resign from office in the following circumstances:

- (a) they cease to be Company Directors;
- (b) their status as Non-Executive or Independent Directors (the latter in the case of the Chairperson) has changed even though they continue to be Company Directors;
- (c) they have been asked to resign or are removed by a Board of Directors' resolution; or
- (d) they are not reappointed at the end of their term of office.

3. WORKING PROCEDURES AND OPERATING PRINCIPLES OF THE ACER BOARD COMMITTEE

3.1 ACER Board Committee meetings

The ACER Board Committee will meet as often as required to fulfil its duties and responsibilities and at least four times a year before Board meetings. Moreover, the ACER Board Committee shall meet every time any annual or interim financial information is published, in the presence of the Internal Auditor, and, if any revision report is published, the External Auditor will be asked to attend for the discussion of the relevant issue included in the agenda. At least some of these meetings with the Internal Auditor and/or the External Auditor must take place without the presence of the Company's Management, so that specific matters arising from the revisions or adjustments can be discussed privately and separately with them.

The ACER Board Committee will prepare, before the start of each financial year, a calendar of ordinary meetings which may be amended by resolution of the ACER Board Committee or by a decision of the ACER Board Committee Chairperson.

ACER Board Committee meetings will be called at the Chairperson's request, sending out a written notice for each meeting, along with the agenda, to the other members, at least seven (7) days in advance, except if there are justifiable reasons for giving shorter notice. Any ACER Board Committee member may suggest changes to the agenda or new items for consideration. ACER Board Committee members will be provided with relevant documents for the meeting as far in advance as possible.

Meetings will be held in the Company's registered office or in any other venue indicated in the convening notice, whether in Spain or abroad.

ACER Board Committee members may participate in the meetings from different locations, both in Spain and abroad, connecting via video conference, conference call, or any other similar system that allows attendees to directly and simultaneously take part in the meeting and its discussions. Those ACER Board Committee members who attend the meeting, regardless of their location, will be regarded, for all purposes, as attending such meeting. The meeting will be regarded as having taken place and resolutions as having been adopted in the venue from where the ACER Board Committee Chairperson, or acting Chair, attends.

Waiver of notice shall apply if all of the ACER Board Committee members are present and unanimously resolve to hold a meeting.

The ACER Board Committee may request the presence of any Directors, managers, or employees of the Company or its Group, depending on the matters to be discussed. The ACER Board Committee may also request the attendance of the External Auditor at its meetings.

3.2 Quorum for meetings of the ACER Board Committee

Meetings of the ACER Board Committee will be quorate when the majority of its members are present in person or by proxy.

ACER Board Committee members may authorize another attending member to act as his or her proxy by means of a written communication, addressed to the ACER Board Committee Secretary, and providing any relevant instructions.

3.3 ACER Board Committee Resolutions

The ACER Board Committee may deliberate and adopt resolutions on any matter coming under its authority and purview.

ACER Board Committee resolutions will be adopted by an absolute majority of the Directors attending the meeting. In the event of a tie, the Chairperson will have the casting vote.

In exceptional cases, if circumstances require it and with the express consent of all its members, resolutions may be approved in writing, without a meeting. These resolutions shall be confirmed in the following ACER Board Committee meeting.

When the topics to be discussed in ACER Board Committee meetings directly affect any of its members or related persons, and in general, when any member is involved in a conflict of interest, the conflicted or affected member shall leave the meeting until the resolution is approved, and shall be excluded from the number of ACER Board Committee members for quorum and majority calculation purposes regarding the matter in question.

3.4 Minutes of ACER Board Committee meetings

All ACER Board Committee resolutions, together with the details of any dissenting votes, will be recorded in the minutes of the relevant meeting drafted by the Secretary. These minutes will be approved by the ACER Board Committee during such meeting or in the following meeting. Once they are approved, and subsequently signed by the Secretary and countersigned by the Chairperson, the minutes will be entered in the Company's Minute Book.

4. DUTIES AND RESPONSIBILITIES OF THE ACER BOARD COMMITTEE

The ACER Board Committee is mainly an advisory body to the Board of Directors and is entrusted with the duties of monitoring risk, interacting with the External Auditor, safeguarding internal controls, and overseeing compliance programmes and Management commitments in this regard.

The ACER Board Committee's key duties and responsibilities, together with the tasks it carries out, are the following:

4.1 Duties related to the External Auditor

The External Auditor will appear before the ACER Board Committee at least twice a year, in order to report on the audit plan and work team, the progress and outcome of their work, together with their fees and declaration of independence.

The ACER Board Committee will establish guidelines for, and be duly informed of staff recruitments coming from the audit firm, as well as any Company personnel that join the audit firm, which must comply with applicable Laws.

The ACER Board Committee's main duties regarding the External Auditor will be the following:

- (i) proposals for appointment of the External Auditor:
 - (A) proposing the selection, appointment, reappointment, and replacement of the External Auditor to the Board of Directors for subsequent approval by the General Shareholders' Meeting;
 - (B) proposing the terms of engagement, including the scope of the audit engagement and fees, to the Board of Directors; and
 - (C) examining the reasons and circumstances for the resignation of any given External Auditor.
- (ii) Oversight of the External Auditor's independence.

The ACER Board Committee duties regarding relations with the External Auditor and their independence will be the following:

- (A) engaging and interacting with the External Auditor in order to be appropriately informed on any matter that may compromise their independence, to be examined by the ACER Board Committee, and any other matter relating to the process of auditing the accounts, in addition to any other notifications provided for in statutory audit laws and technical auditing standards;
- (B) ensuring that the remuneration of the External Auditor for their work does not compromise the quality and independence of their work;
- (C) receiving from the External Auditor, on a yearly basis, written confirmation of their independence (both from the audit firm as a whole and from the individual members of the engagement team), with respect to directly or indirectly related entity or entities, as well as detailed and itemized information about the additional services of any kind and the fees received from these entities by said External Auditor, or by the related persons or entities as established in the auditing regulations;
- (D) assessing, if applicable, whether the provision of non-audit services by the External Auditor in addition to their audit work is compatible with their independence and pre-approve and authorize non-audit services to be provided by the External Auditor, insofar as the provision of such services is permissible by Law and is aligned with ethical guidelines and corporate governance requirements;
- (E) ensuring that the rotation and remuneration requirements established in Statutory Audit Law 22/2015 of 20 July are met; and
- (F) submitting a yearly report to the Board of Directors, prior to the issuance of the External Auditor's final report, stating the ACER Board Committee's opinion on whether the independence of the External Auditor or audit firms may be compromised or impaired. In particular, the report shall specifically assess each of the non-audit services provided by the External Auditor, or any company of its group, within the previous three years starting January 1st of

the first year of their appointment, assessing their independence individually and collectively.

- (iii) Evaluating the External Auditor's technical proficiency: after reviewing the External Auditor's report and work throughout the year, the ACER Board Committee will be in a position to assess the External Auditor's qualifications, performance, and independence.
- (iv) Communicating with the External Auditor.

The ACER Board Committee shall oversee the relationship between the Company and the External Auditor to the broadest extent. Accordingly, it is incumbent on the ACER Board Committee to ensure that such interaction is ongoing, candid and constructive. In particular, the ACER Board Committee's functions will be the following:

- (A) acting as a communication channel between the Board of Directors and the External Auditor, ensuring that the Board of Directors has a yearly meeting with the External Auditor in order to be informed about the work performed, the assessment of the Company's accounting practices and policies and any risks that have been identified;
- (B) Monitoring the financial and non-financial reporting process and submitting recommendations or proposals to the Board of Directors to ensure its integrity;
- (C) reviewing the External Auditors' proposed audit scope and approach, including the review of internal controls over financial and non-financial reporting and coordination of audit efforts with Internal Audit, and approving the annual audit plan, ensuring that it is consistent with the scope of the audit engagement;
- (D) receiving information from the External Auditor prior to the start of the audit regarding all the accounting standards and practices that the Accounts and Financial Reporting Management has decided to use in the preparation of financial information;
- (E) regularly obtaining from the External Auditor information about the Audit work plan and its implementation, about any other matters related to the progress of the audit, and any other notifications provided for in statutory audit laws;
- (F) assessing the outcome of each audit and Management's responsiveness to the findings and recommendations of the External Auditor and its implementation of corrective action plans;
- (G) periodically, and at least once a year, requesting the External Auditor's assessment regarding the quality of the Group's internal control procedures and systems, including those related to ESG, and discussing with the External Auditor any significant weaknesses identified during the audit;
- (H) ensuring that the External Auditor meets on a yearly basis with the Board of Directors to report on the work carried out and the progress of the accounting status and the risks of the Company;

- (I) reviewing the content of the audit reports before they are issued, and, where applicable, of the limited review reports on the interim statements, ensuring that the contents and opinions on the financial and non-financial statements and Integrated Management Report are drafted in a clear and accurate manner, with no qualifications or disclaimers by the External Auditor. In the case of any exceptions, both the Chairperson of the ACER Board Committee and the auditors will clearly explain to the Shareholders, as applicable, the content and scope of those limitations or reserves;
- (J) Submitting recommendations to the Board of Directors regarding the approval, amendment or replacement of a policy governing the provision of non-audit services by the External Auditor, so as to ensure that the provision of such services does not impair the External Auditor's independence and objectivity; and
- (K) ensuring that the Company and the External Auditor comply with the applicable Laws regarding audit services, the restrictions applicable to the auditors and auditor independence rules and standards.
- (L) informing the General Shareholders' Meeting regarding issues raised by the External Auditor in relation to matters coming under the purview of the ACER Board Committee and, in particular, regarding the results of the external audit, explaining how it has contributed to the integrity of financial information and the role that the ACER Board Committee has played in that process.

4.2 Duties regarding the oversight of the Internal Audit function

The Internal Audit Unit, headed by the CAE, is part of the Internal Audit, Compliance and Risk Division. As an independent body, this Division reports functionally to the ACER Board Committee and interacts with this Board Committee through the CAE. The ACER Board Committee shall oversee and monitor the work performed by the Internal Audit function and shall ensure that it has the budget, resources and access required to fulfil its duties.

The Internal Audit shall monitor the effectiveness of the reporting, internal control and risk management systems in the Company.

The ACER Board Committee's duties and responsibilities regarding the Internal Audit function are to:

- (i) review and discuss with the CAE the effectiveness of the Internal Audit function, including conformance with the Institute of Internal Auditors Mission of Internal Audit, and the mandatory elements of the IPPF (*International Professional Practices Framework issued by the Institute of Internal Auditors*) (specifically the core principles for the professional practice of Internal Auditing, the Code of Ethics, the standards, and the definition of Internal Auditing);
- (ii) review and approve, with Management and the CAE, the Internal Audit Charter, staffing and organisational structure of Internal Audit;
- (iii) review and approve the key performance indicators for Internal Audit and review and validate progress reports on the performance against these indicators;

- (iv) at least once a year, discuss with the CAE its expectations for Internal Audit opinions and conclusions, to be taken into account when preparing the risk-based Internal Audit work plan;
- (v) review and approve the annual risk assessment report, risk-based Internal Audit work plan and budget and all changes throughout the year, including the approval, on a timely basis and prior to its execution, the proposed changes to the Internal Audit work plan; and ensure that the work of Internal Audit is mainly focused on addressing the material risks of the Company;
- (vi) oversee the budget allocated to Internal Audit, ensuring that it has the appropriate resources and qualified personnel to guarantee the best performance of its duties and responsibilities;
- (vii) oversee and monitor the independence and effectiveness of the Internal Audit function, ensuring that it is structured in such a manner as to enable it to have full and unrestricted access to the ACER Board Committee and, ultimately, to the Board of Directors;
- (viii) ensure that Internal Audit has full access to all books, records, facilities and personnel of the Company, its subsidiaries and joint ventures where there is ownership control;
- (ix) review all reports submitted to the ACER Board Committee by Internal Audit and management's responses to such reports (such reports to include significant risk exposures and control issues, including Fraud risks, and other matters needed or requested by the ACER Board Committee);
- (x) consider any reports it receives where the CAE has concluded that Management has accepted a level of risk that may be unacceptable to the organization;
- (xi) decide on the selection, appointment, reappointment and removal, where applicable, of the CAE, and be actively engaged in the establishment and analysis of objectives and the yearly performance evaluation of the CAE for purposes of determining his or her variable compensation (bonus), and report to the Board of Directors on the results of such evaluation;
- (xii) at least once per year review the performance of the CAE and the effectiveness of the Internal Audit function (including but not limited to ensuring the independence and effectiveness of the Internal Audit function, certifying that it has the appropriate structure to allow free and unrestricted access to the ACER Board Committee, and, if applicable, to the Board of Directors);
- (xiii) at least once per year, review a report from the CAE on the results of the Internal Audit function's quality assurance and improvement program;
- (xiv) at least once per year, review the performance of any third party providers of outsourced or co-sourced Internal Audit services and their fees;
- (xv) at least once per year, receive confirmation from the CAE that Internal Audit continues to be organizationally independent;
- (xvi) review any instances reported to it by the CAE, where Internal Audit's independence or objectivity has been impaired in fact or appearance;

- (xvii) discuss with the CAE the form and frequency of the external assessment which must be conducted on Internal Audit at least once every five years by a qualified independent assessor or assessment team from outside the organization;
- (xviii) at least once per year, meet the CAE without Management being present, to discuss the ACER Board Committee's remit and any issues arising from the Internal Audits carried out. In addition, the CAE shall have direct access to the ACER Board Committee without other members of Management being present;
- (xix) ensure that there is an adequate relationship between Internal Audit and other assurance duties;
- (xx) foster and encourage coordination and synergies between the work of Internal Audit and that of the External Auditor;
- (xxi) ensure that the internal audit team is given ongoing professional development training to enhance their skills, knowledge and other competencies; and
- (xxii) ensure that Senior Management considers the findings and recommendations set out in the reports prepared by the Internal Audit function.

For these purposes:

Fraud means any unlawful act characterised by deceit, concealment or violation of trust.

Internal Audit means the independent, objective assurance and consulting activity designed to add value and improve the Company's operations. It helps the Company accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of Risk Management (as defined below), control, and Governance processes.

Internal Audit Charter means the document that governs the activities of the Internal Audit function, including the mission, independence, objectivity, scope, responsibilities, authority, accountability and standards of Internal Audit.

Internal Auditors means employees of the Company who have responsibility for Internal Audit.

Risk Management means processes to identify, assess, manage and control potential events or situations and to provide reasonable assurance regarding the achievement of the company's objectives.

4.3 Duties related to the internal control and risk management systems

The Internal Control and Corporate Risk Units are located within the Internal Audit, Compliance and Risk Division, which reports functionally to the ACER Board Committee. The ACER Board Committee shall ensure that these units have the resources required in order to fulfil their duties and shall oversee and monitor their activity plan.

The Internal Audit, Compliance and Risk Division will be the usual body for communication between the ACER Board Committee and the rest of the organisation on specific risk topics, and will be in charge of preparing the information required in meetings on those matters and providing assistance whenever the ACER Board Committee deems it appropriate.

The ACER Board Committee's main duties regarding internal control and risk management will be the following:

- (i) reviewing on a regular basis the Risk Policies and making recommendations to the Board of Directors to amend and update them, as required;
- (ii) approving the internal control and risk management regulations;
- (iii) ensuring that the Group's risk management control system identifies at least:
 - (A) the different types of risks (operational, technological, financial, legal, reputational, ESG and Climate Change, etc.) faced by the Company, including, among others, financial or economic risks, sustainability-related risks, climate change-related risks, human rights-related risks, contingent liabilities and off-balance sheet risks, together with their risk assessment;
 - (B) the establishment and review of the risk map, and the risk levels that the Company deems acceptable;
 - (C) the measures in place to mitigate the impact of identified risks, should they occur; and
 - (D) the information and internal control systems to be used to control and manage such risks, including contingent liabilities and off-balance sheet risks;
- (iv) ensuring that the Internal Audit, Compliance and Risk Division takes part in the definition of the risk strategy, in the proper functioning of the risk control and management systems, and in particular, that all the significant risks faced by the Company are appropriately identified, managed and quantified;
- (v) being actively involved in the development of a risk strategy and the decision making process over its management;
- (vi) continuously reviewing the risk control systems to identify and manage key risks and effectively report on them. This identification, management and reporting of key risks should include climate change-related risks and the timeframe required for a proper qualitative and quantitative (financial) assessment, according to TCFD guidelines;
- (vii) overseeing the effectiveness of the internal control and risk management systems, as well as discussing with the External Auditor any significant weaknesses of the internal control systems identified throughout the audit, without compromising its independence; and to this end, and where appropriate, submitting recommendations and proposals, as well as the corresponding timeframe for follow-up activities, to the Board of Directors;
- (viii) ensuring that a risk-based culture is established in the Company and that risk considerations are firmly embedded into all decision-making processes and at all levels of the organization;
- (ix) identifying and assessing emerging risks, in particular risks related to technology and information security, including cybersecurity and data privacy, and the company's strategy to effectively address and mitigate such risks, ensuring that control mechanisms and red flags for such risks are in place and working as intended;
- (x) ensuring that risks remain within the tolerance levels set by the Board through the Risk Policy, in order to propose their adjustment on the basis of the information provided by the Management and the Internal Audit, Compliance and Risk Division;

- (xi) summoning, at least on a yearly basis, each of the individuals in charge of the Group businesses to report to the ACER Board Committee about the trends in their respective businesses and the risks associated with them, in order to ensure that their members are better informed about the business and its risks, and to reinforce the idea that the individuals in charge of the business units are ultimately responsible for effectively managing risks; and
- (xii) preparing a report on Group risks, and submitting the conclusions of their analysis to the Board of Directors for assessment.

4.4 Duties regarding the oversight of the reporting processes for financial information and related non-financial information

The ACER Board Committee is in charge of supervising the process of preparing and reporting financial and related non-financial information and submitting recommendations or proposals to the Board of Directors, in order to safeguard their integrity. Specifically, the ACER Board Committee will have the following duties:

- (i) reviewing the consolidation scope of the Group to ensure its adequacy;
- (ii) ensuring that interim financial statements or periodic financial disclosures are prepared using the same accounting principles as those used for preparing annual financial information and statements and accordingly, recommend, where applicable, to the Board of Directors, that the External Auditor conduct a limited review of such interim financial statements;
- (iii) reviewing, analysing, and commenting on the financial statements and any other material financial and non-financial information with Management, the Internal Audit, Compliance and Risk Division, and the External Auditor to confirm that they are reliable, understandable and relevant, and conform to applicable legal requirements and generally accepted accounting principles, and informing the Board of Directors on any significant changes or developments in legal reporting requirements or accounting standards and criteria;
- (iv) overseeing Management decisions regarding the adjustments or restatements proposed by the External Auditor, as well as being aware of and, if applicable, taking steps to resolve any discrepancies or disagreements between them;
- (v) overseeing the process conducted by Management with regard to material judgements, appraisals and estimates and their impact on the financial statements;
- (vi) reviewing and discussing with Management and the External Auditor the impact of regulatory and accounting initiatives, as well as off-balance sheet structures, on the Company's financial statements;
- (vii) being familiar with the key controls over financial and non-financial reporting applied by Management, as well as with the assessment of the effectiveness of such controls conducted by the External Auditor and the Internal Audit, Compliance and Risk Division;
- (viii) overseeing and ensuring that the Company has suitable Fraud detection and deterrence programs and policies in place; and

- (ix) approving the annual work plan for the evaluation of the internal control over financial and non-financial reporting and receiving regular information about its outcome, as well as about the action plan to correct any deficiencies or weaknesses identified.

4.5 Duties pertaining to Compliance and Business Ethics

The ACER Board Committee's main duties in this regard will be:

- (i) reviewing the Code of Ethics and Conduct of the Cepsa Group, and submitting proposals on amendments, where applicable, for the Board of Directors' approval;
- (ii) approving and updating the Company's internal codes of conduct and compliance policies;
- (iii) approving the Compliance Regulations and Procedures and the Annual Compliance Work Plan;
- (iv) reviewing the key performance indicators for the Ethics and Compliance functions and reviewing and validating progress reports on the achievement of these indicators;
- (v) reviewing the staffing and organisational structure of the Ethics and Compliance functions;
- (vi) ensuring there are no unreasonable restrictions or limitations on budget or resources of the Ethics & Compliance Office;
- (vii) promoting a culture in which compliance and business ethics is a factor that is considered in all decisions and at all Company levels;
- (viii) overseeing a corporate criminal risk prevention programme that includes suitable controls to prevent, among others, accounting, tax, market and consumer-related fraud, embezzlement, misappropriation of funds, and any other related criminal offenses, and taking appropriate measures as required if these are identified;
- (ix) overseeing the system for ensuring compliance with and enforcement of the Code of Ethics and Conduct and its related policies;
- (x) overseeing the design and operation of the compliance programmes that are legally mandatory for the group and which have a significant impact on the Company's operations;
- (xi) establishing and overseeing a whistleblowing mechanism whereby employees can confidentially or, where feasible, anonymously report any potentially significant irregularities, particularly of a financial and accounting nature, they may have identified within the Company and its group, and ensuring compliance with applicable personal data protection and privacy laws and other legal rights of the parties involved;
- (xii) monitoring the breaches and violations identified in the Company and the resolution of any complaints submitted through the Ethics and Compliance Channel that have been examined by the Ethics & Compliance Office;
- (xiii) providing the Compliance and Ethics Office with guidance and advice on the investigation and resolution of relevant cases;

- (xiv) monitoring transactions with a high-impact compliance risk, particularly those with an impact on the financial statements; and
- (xv) reporting to the Board of Directors, on the basis of the information received from the person in charge of tax matters, on the fiscal policies implemented by the Company, and, in the case of transactions or matters that are subject to approval by the Board of Directors, on their tax consequences when a significant risk factor is involved.

4.6 Duties regarding corporate governance and sustainable development

The ACER Board Committee's main duties regarding corporate governance and sustainable development will be the following:

- (i) regularly evaluating the adequacy of the Company's corporate governance system to ensure that it fulfils its mission of promoting corporate interests and taking into consideration, where appropriate, the legitimate interests of stakeholders;
- (ii) reviewing and submitting policies regarding stakeholder engagement for approval by the Board of Directors;
- (iii) monitoring the ESG strategy, practices and policies, in particular with regard to Climate Change, and the level of progress of the commitments acquired;
- (iv) monitoring the Company's Human Rights policies, practices and due diligence procedures, once the relevant legislation comes into force, to ensure that there are effective processes in place to identify, assess, prevent, mitigate, and remedy actual and potential adverse human rights impacts associated with its operations, products and services and those related to its value chains;
- (v) overseeing non-financial and diversity reporting processes, pursuant to applicable regulations and relevant international benchmarks;
- (vi) reporting to the Board of Directors on any legal or regulatory developments or changes in corporate governance standards;
- (vii) ensuring that the Company reports, in a separate document or in the Integrated Management Report, on ESG issues, particularly on Climate Change under TCFD recommendations, using for this purpose an internationally accepted methodology; and
- (viii) overseeing the work and activities of the CEPSA Foundation.

4.7 Other duties

The ACER Board Committee will also have the following duties:

- (i) setting up and organizing standing internal working committees (**Operating Committees**) directly accountable to the ACER Board Committee and tasked with assisting it with its duties and responsibilities; approving the regulations of each such Operating Committee; and selecting, appointing, reappointing or removing the Chairperson and Secretary of each such Operating Committee;
- (ii) overseeing, at least every two years, the analysis of the reserve classification and estimation process for the Exploration and Production business;

- (iii) previously analysing and reporting to the Board of Directors on any transactions that the Company or its group of companies have performed with any Directors, in the terms established in applicable Laws, or with Shareholders holding, individually or collectively, a significant stake, including Shareholders represented on the Company's Board of Directors or of other companies that are part of the same group or with related parties, for approval by the Board of Directors;
- (iv) analysing beforehand and reporting to the Board of Directors on the financial conditions and accounting impact of any key structural and corporate changes that the Company intends to pursue, and particularly, if applicable, on the exchange ratio proposed;
- (v) informing the Board of Directors beforehand on all matters required by Law, the Articles of Association and the Regulations of the Board of Directors, and, in particular, on:
 - (A) the financial disclosures that the Company makes on a regular basis; and
 - (B) the creation or acquisition of shares in special-purpose vehicles or companies with registered offices in countries or territories regarded as tax havens;
- (vi) receiving, from the person in charge of tax matters in the Company, prior to the preparation of the financial statements and for referral to the Board of Directors, information on the tax criteria applied by the Company during the financial year and, in particular, on the degree of compliance with good tax practices;
- (vii) reporting, at least on an annual basis, to the Board of Directors on its performance and the level of fulfilment of its duties and responsibilities as outlined herein. To this end, it will use the ACER Board Committee's Self-Assessment Questionnaire. In addition, an annual report on the activities of the ACER Board Committee during the relevant year shall be drafted and submitted to the Board of Directors at the first Board meeting held in the following financial year; and
- (viii) performing such other duties, within the scope of its responsibilities, as may be entrusted to it by the Board of Directors.

5. POWERS AND RESOURCES OF THE ACER BOARD COMMITTEE

In furtherance of its duties, the ACER Board Committee shall have authority to obtain any kind of information or documents held by the Company regarding matters that fall within the ACER Board Committee's scope, as well as to seek advice and assistance from internal or external legal, accounting or other experts, as it deems appropriate, to perform its duties and obligations.

If advice from external experts is requested, such experts will be engaged by the Company. The decision to engage these services will be notified to the Chairperson of the Board of Directors and will be implemented through the Secretary of the Board. The Board of Directors may decline to provide authorization to hire such services if the Board considers that they are not necessary for the proper performance of the entrusted duties; that the cost is unreasonable in view of the extent of the problem; or that the technical assistance sought can be adequately provided by technical experts within the Company.

6. ONBOARDING AND PROFESSIONAL DEVELOPMENT

The ACER Board Committee shall design an induction and onboarding program to provide new members, in a timely manner, with relevant information and briefings on the Company and its business and on their duties and responsibilities on the ACER Board Committee.

Outside experts on accounting, audit or related matters may from time to time be invited to attend Committee meetings in order to provide additional expertise.

The continuing professional development program of the ACER Board Committee will be evaluated on a yearly basis to determine whether any changes are required, based on new regulatory or financial developments.

7. AMENDMENT OF THE REGULATIONS

The ACER Board Committee shall review and reassess the adequacy of these Regulations at least on an annual basis and recommend any proposed changes to the Board of Directors.

Any amendments hereto shall be approved by the Board of Directors at its own behest, at the behest of its Chairperson, the Chairperson of the ACER Board Committee or the ACER Board Committee itself.

8. EFFECTIVE DATE

These Regulations were approved by the Company's Board of Directors on 20 November 2018 and amended by resolution of the Board of Directors on June 25, 2020, July 28, 2021 and November 8, 2022 respectively and are valid and binding with effect as of the date of their approval.